

Japan Petroleum Exploration Co., Ltd.  
JAPEX OFFSHORE, LTD.  
Mitsubishi Gas Chemical Company, Inc.

June 22, 2007

### **Exploration well in Niigata Prefecture successfully produces natural gas and oil**

Japan Petroleum Exploration Co., Ltd. ("JAPEX"), JAPEX OFFSHORE, LTD. ("JPO") and Mitsubishi Gas Chemical Company, Inc. ("MGC") announced today that they had achieved successful production test flows of gas and oil from the Iwafuneoki Southwest MS-1 exploration well drilled from the Iwafuneoki platform. The Iwafuneoki oil and gas field is situated offshore in the northern part of Niigata Prefecture, and operations are being conducted jointly by the three companies. Daily test production flows from the well were 124,000m<sup>3</sup> of gas, and 48KL of oil.

Drilling of the Iwafuneoki Southwest MS-1 exploration well began on January 25, 2007, and continued to a depth of 3,748 meters. Flow tests began early May. In the Shiiya formation target zone, tests have confirmed gas and oil flows from newly discovered stratum.

The test results will now be appraised to calculate the estimated reserve in the field. At the same time, the companies plan to continue oil and gas exploration, including exploration drilling to geological structures of high potential in nearby areas.

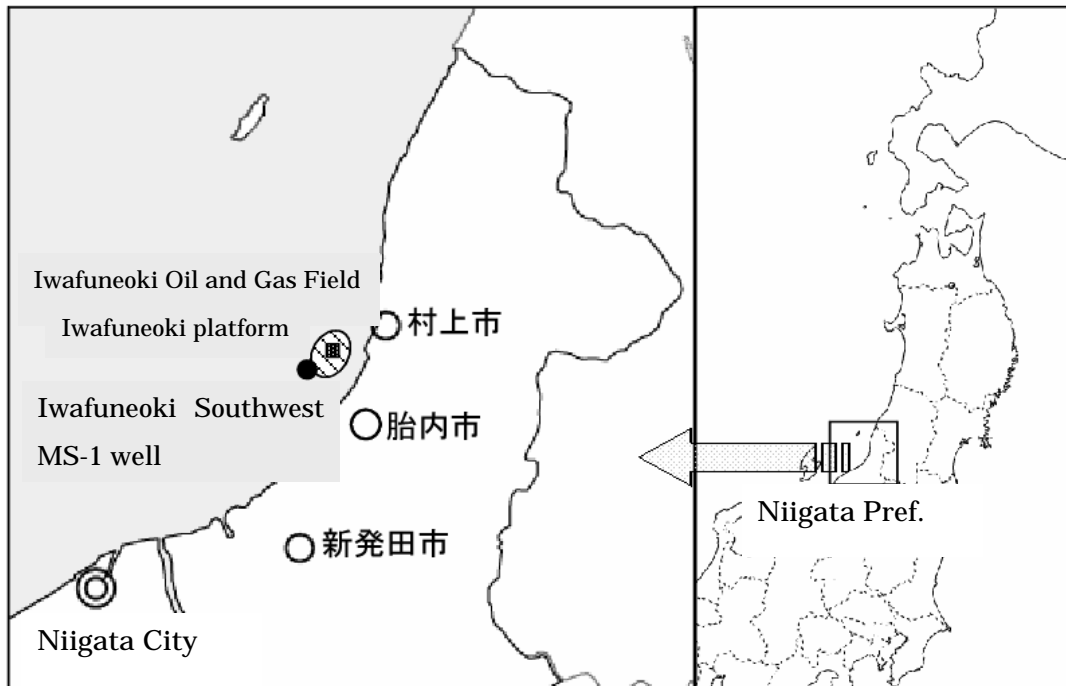
#### **Outline of Iwafuneoki Southwest MS-1 well**

1. Location: Approximately 30km Northeast of Niigata City, Niigata Prefecture, in 36 meters of seawater
2. Target test stratum: Shiiya formation
3. Production test results: Test zone: 3,550-3,672 meters drilled depth  
Daily output: Natural gas 124,000 m<sup>3</sup>; Oil 48KL

### **Outline of Iwafuneoki Oil and Gas Field**

1. Ownership: Japan Petroleum Exploration Co., Ltd.: 46.667%  
JAPEX OFFSHORE, LTD.: 33.333%  
Mitsubishi Gas Chemical Company, Inc.: 20.000%
  
2. History and current status and Discovered in 1983; Production begun in 1990; Approximate average daily output in 2006 of 310kl of oil and 510,000m<sup>3</sup> of natural gas

## Location map of Iwafuneoki Southwest MS-1 well



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